

Background:

This document provides an opportunity for interested stakeholders to submit informal comments and perspectives on various topics discussed during the working group process. There is recognition that additional details are needed on these topics that will be developed throughout the initiative, and stakeholders will have opportunities to provide more comprehensive and formalized comments on these topics to the extent these become part of a formal proposal. Please be brief in any written responses to facilitate review, recognizing these represent informal reactions at this early stage.

Please submit your comments using this template to ISOStakeholderAffairs@caiso.com by end of day March 14, 2022.

Question:

For each question please identify whether you “generally support”, are “neutral” or “generally oppose” the concepts based on the information discussed in the working groups to date, recognizing that additional detail will be provided through the straw that will allow you to consider the concepts in a more complete light. If desired, please provide additional context and/or identify additional aspects for consideration.

1. Please share your perspective on the transmission “buckets” framework for supporting EDAM transfers.
 - Generally support
 - Neutral
 - Generally oppose

Comments:

The transmission “buckets” framework generally supports the flexibility needed by OATT providers to meet their obligations to provide transmission to their rights holders. Transmission donation of bucket 2 should remain voluntary and bucket 3 transmission made available by the TSP should be fully compensated for its use by the market. All bucket 2 and bucket 3 transmission that goes unused in the EDAM market optimization should be returned to the transmission rights holder or TSP after the close of the day-ahead market.

While not explicitly related to the transmission bucket framework, Bonneville has some concerns with the assumption that intra-network BAA transmission is automatically available for market use. At a minimum, some form of modeling of transmission elements with constraints set by the BAA of what is allowable transmission capacity for market use must be utilized.

2. Please share your perspective on whether Bucket 2 transmission should, aside from the voluntary nature of it, include use of unscheduled point-to-point transmission to maximize transmission available to EDAM for optimization of transfers.

- Generally support
 Neutral
 Generally oppose

Comments

Bonneville supports Bucket 2 transmission being made available on a voluntary basis to the market. If the concept is to automatically assume *all* transmission belonging to a participating transmission rights-holder that is unscheduled can be used by the market optimization, the voluntary aspect of bucket 2 transmission donation model is at the point when an entity decides to join the market, which is a higher hurdle to market entry. This concept requires additional discussion around the ability for the transmission customer to resell, redirect, and schedule their rights after the day-ahead market timeframe, whether the transmission customer receives congestion rent or some type of compensation for that transmission, and whether the transmission provider should receive compensation for that transmission given that the transmission provider currently resells that transmission for additional non-firm transmission revenues. It is important to evaluate how such an option would impact all of the customers of the Transmission Service Provider, who may or may not be in the EDAM even if the TSP's affiliated BAA is.

3. Please share your perspective on the concept of the CAISO providing hurdle free transmission in the export direction reciprocal to the amount of hurdle free transmission provided by the adjoining EDAM BAA across the interface to support EDAM transfers and derive mutual benefit.

- Generally support
 Neutral
 Generally oppose

Comments:

Bonneville does not currently have any Bucket 3 north-to-south transmission to provide at the COI. Regardless, this concept may result in transmission cost shifts, and potentially have adverse effects on how transmission customers procure transmission. Transmission must be compensated appropriately for its use in order to cover system costs. If transmission is provided "for free" under this concept, then the costs of that transmission use will ultimately need to be allocated and recuperated elsewhere. This should be voluntary by the EDAM BAA to participate in this type of model should it become part of the EDAM design.

Providing this only between the CAISO and adjacent BAAs could be considered discriminatory by FERC. If the concept were extended to between EDAM BAAs, the above issues on cost shifts would remain and it is unclear that the benefits of additional access to imports for loads would outweigh the transmission costs that will likely get shifted to those loads.

4. Please share your perspective on the overall transmission compensation framework under the transmission buckets and the associated transfer revenue and congestion rent allocation method discussed:
- A. Congestion rents is associated with internal transmission within the EDAM Entity that is a component of the Locational Marginal Price. Transfer revenue, includes the congestion rent, and is the LMP difference between the import and export transfer. Transfer revenue may also include the hurdle rate depending upon the product.
- Generally support
 Neutral
 Generally oppose

Comments:

This reflects the current LMP pricing and transfer revenue construct of the EIM, absent the additional hurdle rate. We generally support this concept for EDAM.

- B. Transfer revenue associated with EDAM transfers between EDAM BAAs are generally divided 50/50 between these BAAs.
- Generally support
 Neutral
 Generally oppose

Comments:

Bonneville believes that the hurdle rate for any Bucket 3 transmission must be allocated 100% to the TSP making that transmission available. Beyond the hurdle rate, the remainder of the transfer revenue should be divided 50/50 between EDAM BAAs.

- C. Transfer revenue associated with EDAM Transfers across an Intertie Constraint (ITC) at the boundary with the CAISO are allocated 100% to the CAISO or adjoining EDAM BAA depending upon the location of the congestion (if on the CAISO side or the adjoining EDAM BAA side).
- Generally support

- Neutral
 Generally oppose

Comments:

Bonneville believes that transfer revenues associated with EDAM Transfers across an ITC at the boundary with CAISO should be equitably allocated (50/50) between the CAISO and adjoining EDAM BAA. This would provide certainty, predictability, and durability around how the value of the intertie is allocated between EDAM BA OATT rights holders and the CAISO.

5. Please share your perspective on intertie bidding:

A. Self-schedules should continue to be permitted at the interfaces with the EDAM footprint

- Generally support
 Neutral
 Generally oppose

Comments:

Bonneville serves a considerable amount of transfer loads in other BAAs that may join EDAM and will need a way to serve those loads even if Bonneville is not part of EDAM. Allowing self-schedules at the interfaces with the EDAM footprint would allow Bonneville to serve those loads at an expected demand. It also helps ensure that external resource(s) have acquired transmission from the respective transmission providers across the EDAM footprint, mitigating the concerns around free-ridership.

B. Economic bidding is not permitted at interties on the boundary of the EDAM footprint, except at CAISO interties with non-EDAM BAAs.

- Generally support
 Neutral
 Generally oppose

Comments:

Bonneville will need a way to provide imbalance reserves to our transfer loads in EDAM BAAs in the scenario where Bonneville is not in EDAM. Given that imbalance reserves cannot be self-scheduled, economic bidding will have to be permitted at interties at the boundary of the EDAM footprint to enable this. Bonneville acknowledges that issues around potential leaning on the market and free-ridership need to be addressed in order for economic bidding to be permitted at interties on the boundary of the EDAM footprint.